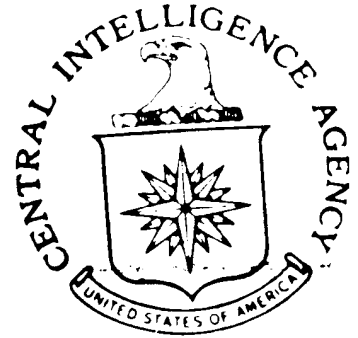


ARTICLE APPEARED  
ON PAGE 2NEW YORK POST  
3 February 1987

WILLIAM CASEY: Out.

# Casey deputy takes over as new CIA boss



By RACHEL FLICK  
WASHINGTON — Robert Gates, a CIA official who said he urged the White House to come clean on Iranscam months ago, was nominated yesterday as the spy agency's new director.

President Reagan chose Gates to succeed 73-year-old William Casey, who's recovering from brain tumor surgery.

Casey was invited to be a presidential counselor — if and when he can return to work.

Gates, 43, has been the No. 2 official at the CIA since 1986 and has been running the agency in Casey's absence.

Gates — a 20-year veteran of service in the CIA and the White House National Security Council as a Soviet af-

fairs expert — is widely respected on Capitol Hill and likely will have no difficulty in winning Senate confirmation.

But he's sure to be grilled about the CIA role in Iranscam.

A Senate Intelligence Committee report issued last week said Gates was told by a CIA analyst last Oct. 1 that money from the Iran arms sale was being diverted to Nicaraguan contra rebels.

The report described Gates as "surprised and disturbed" by the news.

It quoted him as saying that he and Casey later that month urged then-NSC adviser John Poindexter to have the President go public with the Iran initiative, rather than let it leak out "in dribs and drabs."

The arms-sale deal was revealed Nov. 3 by a pro-Syrian publication in Lebanon.

Casey testified before the Senate Intelligence Committee on Nov. 21 but did not mention the possibility of funds being diverted.

White House spokesman Marlin Fitzwater revealed yesterday that Casey resigned Thursday at a meeting in his hospital room with Attorney General Edwin Meese III and White House Chief of Staff Donald C. Regan.

The President offered Casey's job to Gates the very next day in an Oval Office meeting on "putting the agency back on course following the director's illness."

Fitzwater said Casey first mentioned his resignation during the meeting last week and "offered it voluntarily."



Robert Gates, No. 2 man in the CIA, was nominated yesterday as the agency's new director.